

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIMINAL NO.
	:	
v.	:	DATE FILED:
	:	
FRANK ARMENTANI	:	VIOLATIONS: 18 U.S.C. §1341
	:	(Mail fraud - 2 Counts)

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this Information:

1. BMG Direct, Inc. ("BMG") was a company that sold compact discs ("CDs") and cassettes at a discount to BMG music club members.
2. Typically, a BMG music club member was obligated to pay full price for only 1 out of several CDs or cassettes that the member selected and ultimately received. The member was also obligated to pay shipping and handling costs on all of the CDs that he or she received.
3. BMG had a referral program in which several free CDs or cassettes were awarded to BMG music club members who referred new members to the club.
4. BMG shipped CDs or cassettes to music club members from its facility at 6550 East 30th Street, Indianapolis, Indiana.
5. The Columbia House Company ("Columbia House") was a company that sold CDs at a discount to Columbia House music club members.

6. Typically, a Columbia House music club member was obligated to purchase a number of CDs at full price after the member received a number of CDs at a greatly reduced price.

7. Columbia House had a referral program in which several free CDs were awarded to Columbia House music club members who referred new members to the club.

8. Columbia House shipped CDs to music club members from its facility at 1400 Fruitridge Avenue, Terre Haute, Indiana.

THE SCHEME

9. From in or about August 1996, through in or about April 2000, in the Eastern District of Pennsylvania and elsewhere, defendant

FRANK ARMENTANI

devised and intended to devise a scheme to defraud BMG and Columbia House, and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

10. It was part of the scheme that defendant FRANK ARMENTANI obtained significant numbers of CDs and cassettes from BMG and Columbia House, and caused BMG to suffer losses in the amount of approximately \$18,065.37 and Columbia House to suffer losses in the amount of approximately \$3,830.40 by:

(a) creating fictitious individuals who joined the respective music clubs and failing to pay the required fees after receiving the CDs and cassettes delivered to various addresses, and

(b) listing himself, or a version of his name, as the club member who referred the fictitious individuals to BMG's and Columbia House's music clubs, thus taking advantage of both clubs' member referral programs in which the referring club member receives free CDs and cassettes.

It was further part of the scheme that:

11. Defendant FRANK ARMENTANI opened 263 BMG music club accounts, using fictitious names and addresses that belonged to individuals with whom defendant FRANK ARMENTANI was familiar. These accounts generated 2297 CDs and 134 cassettes.

12. Defendant FRANK ARMENTANI failed to (a) pay full price for numerous CDs and cassettes as required by BMG music club regulations, and (b) pay shipping and handling costs for CDs and cassettes that he received as a result of the 263 fraudulent BMG music club accounts that he opened.

13. Defendant FRANK ARMENTANI listed himself, or a variation of his name, as the BMG music club member who referred the fictitious individuals to the BMG music club on many of the approximately 263 fraudulent BMG music club accounts opened by defendant FRANK ARMENTANI.

15. Defendant FRANK ARMENTANI failed to pay shipping and handling costs for numerous CDs and cassettes that he received as a result of listing himself, or a variation of his name, as the referring BMG music club member for many of the approximately 263 fraudulent BMG music club accounts opened by defendant FRANK ARMENTANI.

16. Defendant FRANK ARMENTANI opened approximately 15 Columbia House music club accounts, using fictitious names and addresses that belonged to individuals with whom defendant FRANK ARMENTANI was familiar.

17. Defendant FRANK ARMENTANI failed to pay full price, as required by Columbia House music club regulations, for numerous CDs that he received as a result of the approximately 15 fraudulent Columbia House music club accounts that he opened.

18. Defendant FRANK ARMENTANI listed himself, or a variation of his name, as the Columbia House music club member who referred the fictitious individuals to the Columbia House music club on many of the approximately 15 fraudulent Columbia House music club accounts opened by defendant FRANK ARMENTANI.

19. Defendant FRANK ARMENTANI received numerous free CDs as a result of listing himself, or a variation of his name, as the Columbia House music club member who referred the fictitious individuals to the Columbia House music club on many of the approximately 15 music club accounts opened by defendant FRANK ARMENTANI.

20. In or about February 2000, in the Eastern District of Pennsylvania and elsewhere, having devised and intending to devise the scheme, defendant

FRANK ARMENTANI,

for the purpose of executing the scheme and attempting to do so, knowingly caused to be delivered by the United States Postal Service, according to the directions thereon, a package containing CDs from BMG Direct, Inc., 6550 East 30th Street, Indianapolis, Indiana, to Jamie Binders, 2631 South 10th Street, Philadelphia, Pennsylvania.

In violation of Title 18, United States Code, Section 1341.

COUNT TWO

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. The allegations in paragraphs 1 through 8 and 10 through 19 of Count One are re-alleged here.

2. On or about September 19, 1999, in the Eastern District of Pennsylvania and elsewhere, having devised and intending to devise the scheme, defendant

FRANK ARMENTANI,

for the purpose of executing the scheme and attempting to do so, knowingly caused to be delivered by the United States Postal Service, according to directions thereon, a package containing CDs from The Columbia House Company, 1400 Fruitridge Avenue, Terre Haute, Indiana, to Mary C. Brain, 340 Daly Street, No. 1, Philadelphia, Pennsylvania.

In violation of Title 18, United States Code, Section 1341.

PATRICK L. MEEHAN
United States Attorney